



A CASE STUDY ON HR PRACTICES IN FMCG SECTOR

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Abstract

HR Practices are essential for every organization. There are various practices that organizations follow as well as there are practices that organizations discontinue over the period. Hence a gradual progression is experienced in Human Resource Practices at the Organisations. It is attracting a great deal of attention owing to its potential impact on the functioning of organizations. If organization wish to survive and compete in the present-day knowledge based global economy, they need to acquire, develop and manage world class HR practices.

This case study aims at highlighting the essence of HR Practices as it also refers the leading industrial instances pertaining to practices and the dilemma surrounding the HR Practices in the organization. The evolving skepticism on implementation of HR Practice reflects the dilemma i.e., whether the customer/ stakeholders/ owners of the organization are satisfied with the HR practices implemented in the industry and Do now-a-days FMCG industry provide any importance for HR practices in the organization. This teaching case is essentially derived to cater the need of discussion among Industrial domain, professionals and students of higher education. The case is open for discussion and has potential to derive conclusion on true perspective of HR Practices in FMCG and resolution to the dilemma.



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INTRODUCTION:

In today's era FMCG sector has been a significant and one of the most dynamic sectors in industrial setup. Its contribution in economic growth cannot be ignored. Rising consumerism, expanding customer base and an unceasing yearning for future growth, FMCG is termed as most promising industry sectors. While there is no denial that FMCG sector is one of the front runners in shaping economy of any demography, it is crucial to realize the importance of building blocks which have gone into shaping present day organized FMCG sector. FMCG industry gives a variety of consumables and consequently amount of money is very high which is circulated against FMCG products. Day by day the competition between FMCG producers is increasing consequently the investment in FMCG industry is increasing. Population growth is also one of the major factors behind the success of industry. Human resource is necessary in every firm as ethics is been laid down by top management to work efficiently and effectively. Human resources and its various allied functions is significant contributor in bringing transformation. While organized FMCG setup is steadily expanding

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its reach, the corresponding demand for talent has underscored the need for effective HR practices. After all, HR practices are like catalyst for enabling any establishment to achieve its organizational objectives. HR Practices have moved on from their previous identity of just being an operational and support function, to becoming a strategic partner for the organizations. Moving beyond the regular tasks of managing only the hiring and exit policies, there are now more about innovation prospect profiling, targeted hiring, ingenious methodologies for employee retention, productivity enhancing mechanisms, attrition reduction, etc. Human resource policies can be joined with planned business and used to reinforce appropriate culture. Human resource has been accepted as strategic partner in formulation of organizations strategies and in implementation of such strategies through human resource planning, employment, training, appraisal and rewarding the personnel.

HR PRACTICE PERSPECTIVES:

HR practice serve as a guideline for many organizations and in order to add value, human resource policies align with business strategy. It is necessary to look upon the need of organization and its employees. There are certain HR activities that support in reaching a competitive advantage regardless of organizational setting or industry. At the same time, there are large number of best practices that have shown lead to superior performance for the organization. If, HR executes practices correctly, they will add substantial value to the business and its goals. HR practices plays significant role in employee's attitude towards their workplace. Best practice is also referred as high commitment model as there are certain best human resource practice which results in enhanced organizational performance, lower level of turnover and absenteeism, higher level of skills for higher productivity, enhanced quality and efficiency. Best practice also highlights the relationship between sets of good HR practices and organizational performance, mostly defined in terms of employee satisfaction and commitment. There are some of the common HR practices which are adapted in order to keep employee happy such as providing security to employees, Selective hiring, Self-managed and effective teams, Fair and performance based compensation, Training, open communication and making information easily accessible to those who need it.

Nestle being the leading FMCG company was founded in 1866. Their net worth is 3,673 crores. Nestle give equal respect and dignity to each other and expect from every employee to share their opinion and views to improve company personal development and promote a sense of personal responsibility. Practices such as lateral professional development, extension

of responsibilities, and cross functional teams are encouraged to acquire additional skills, enrich job content and widen accountability. Nestlé also offers a comprehensive range of training activities and methodologies to support everyone's learning and growth. Nestlé is committed to continue the journey to establishing flat and flexible structures with minimal levels of management and broad spans of control, which enable people development, increase efficiency, and ease implementation of "Nestlé Management and Leadership Principles".

Hindustan Unilever, the largest FMCG Company, a leader in personal and home care products and food & beverages, established in 1933 has a net worth of Rs. 34,487 crores. Hindustan Unilever HR Practices has a strong focus on training and development according to their requirement which helps in improving communication, email programming, offers compensation packages based on skills and experience of candidate, Professional counseling and support services for employees and eligible for family members, career development in all business unit present in India.

Dabur is India's leading FMCG Company with revenue of Rs 8,500 crores, started in 1884 with interests in health care, personal care and food. Dabur has majorly two Strategic Business Units consumer and health care division. At Dabur, the human resource department supports business operations and help in enhancing performance parameter for employee. Practices followed in Dabur is nurturing talent and promoting Intrapreneurship among employees and motivate employees to improve their performance through innovative reward and recognition program called "Applause", different kinds of rewards such as rising star for most promising new comer award, honors club that is given to employee of the year, spot recognition in which on the spot recognition is given for wonderful work done, focuses on health and safety, career development, gender diversity, building future leaders and work life balance.

Procter & Gamble (P&G) is an American multinational consumer goods corporation. It started its journey from 1837 and its net worth is 909.06 crores. It specializes in a wide range of personal health/consumer health, and personal care and hygiene products, products are organized into several segments including beauty, grooming, and health care. Human resource practice carried in Procter & Gamble are Promoting work environment with confidence and trust, training and development are carried through on the job as well as off the job training and they not only focus upon technical and academic skills but provide training on interpersonal skill in order to cope up with diverse environment, technology based

training is also provided and opportunity are open for every individual to develop themselves, action learning training is provided to enhance decision making quality in employee.

CASE CONCLUSION:

HR Practices plays a major role and it's significantly needed in the organization. A company can have a great product but without the support of staff, it is likely to be successful. Having a satisfied workforce has become a competitive advantage for companies as it ensure that employees provide their best performance which in turn is reflected on the performance of company. HR practice helps to maintain a better connection among management and employees. Nowadays to retain employee has become difficult task so in order to retain the employee for longer period various HR practices are implemented. Every organization has different sets of HR practices and they follow it vigorously. Hence, the dilemma crops up which become the broad aspect to be discussed upon – *Is the customer/ stakeholders/owners of the organization satisfied with the HR practices implemented in the industry? Or Do now-a-days FMCG industry provide any importance for HR practices in the organization?*

TEACHING NOTES FOR THE CASE:

TEACHING OBJECTIVES:

The following Teaching Objectives may be considered with respect to the case:

1. To demonstrate the understanding of HR practices in the organization.
2. To recognize the significance of best HR Practices performed in organizations.
3. To present the readers an opportunity to deliberate upon the essentials of HR practices performed in an organization

LEVEL OF ANALYSIS:

The present case is teaching case with focus on Appraisal case approach. The analysis focuses on understanding HR practices in FMCG industry. The case is suitable for the practical & case study approach at the level of Management students. To be specific BBA Final year students & MBA students shall have a deserving benefit out of this Management case. Executive MBA students & start- ups in respective industry may also get benefitted. Industry at large will be a party to the benefits of the learning from the case

CASE ASSIGNMENTS:

As part of the case study delivery, participants may be assigned certain tasks pre & post delivery of the case.

Pre discussion Task: Gather fair understanding on HR practices through E-sources.

Post discussion Task: Conduct review of further literature pertaining to the theme of case.

BROAD DISCUSSION QUESTIONS:

Q.1: Discuss the essential of HR Practices followed by various organizations in FMCG industry?

Q.2: Highlight the HR Practices and its impact experienced by various organizations discussed in the case.

Q.3: Do the HR practices play significant role in FMCG industry?

READING REFERENCES:

The following references may be helpful in gaining further insights on the theme of the case:

- **Dave Ulrich** (2017) HR from the outside in: Six competencies for future of HR
- **Peter block** : The empowered manager

POTENTIAL BENEFITS OF THE CASE:

➤ **Students of Management Education:**

- Students shall gather learning on the HR Practices adopted by FMCG industry in light of the theme of the study.
- The case will be helpful in HR Strategic Management Subjects and overall shall support in gaining better HR aspects.
- The case shall assist in learning the fundamentals of HR Practices

➤ **Executive of Companies:**

- The case being a HR management topic, this will support the management in augmenting the HR Practices at the organizations in various aspects, which eventually shall benefit the Organizations.

➤ **Startups in respective Industry:**

- The new companies stepping in the business will find this case as a good example with HR activities at businesses.
- They will inculcate the value of developing businesses through HR function.

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